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New Zealand hiring intentions strongest in four years

Gains across Mining & Construction and Wholesale & Retail Trade offset sharp declines in Finance, Insurance & Real Estate

ManpowerGroup Employment Outlook Survey: Quarter 1 2019

NEW ZEALAND (11 December 2018) – New Zealand’s employment Outlook is now the strongest reported in four years heading into the New Year as an increase in hiring intentions across key sectors, such as Mining & Construction and Transport & Utilities, has offset a steep year-on-year decline within the Finance, Insurance & Real Estate sector.

These are the key findings from the *ManpowerGroup Employment Outlook Survey* for the upcoming quarter, which reports a national Net Employment Outlook (NEO)¹ of +16% for New Zealand. This signals that more employers expect to increase staffing levels than not heading into the first quarter of 2019. The survey collects data from over 60,000 employers in 44 countries, including over 650 New Zealand.

INSERT GRAPH OF NEW ZEALAND NEO FROM 2010 TO PRESENT

The latest data reveals that employers across all sectors, regions and organisation sizes are reporting positive employment Outlooks for the start of the year, although there are a number of notable differences across the country.

In particular, hiring intentions across the Finance, Insurance & Real Estate sector have declined by a steep 23 percentage points when compared to this same time last year. This decline began in the second quarter of 2018 and has continued to drift more modest levels since.

INSERT GRAPH OF FINANCE NEO SINCE 1Q18

However, this sharp decline has been offset by year-on-year gains elsewhere. Most notable is an increase in hiring intentions across the Mining & Construction sector, which reports an increase of 13 percentage points quarter-on-quarter and eight percentage points compared to Q18. Employers in the Transportation & Utilities sector also reported an increase of eight percentage points year-on-year but suffered a

¹ The Net Employment Outlook is calculated by subtracting the percentage of employers anticipating a decrease in hiring activity from the percentage of employers anticipating an increase in employment. Seasonal adjustment is then applied to the data.

considerable decrease of ten percentage points compared to the previous quarter, followed by the Public Administration & Education sector with a slight quarter-on-quarter and year-on-year gain of four percentage points. Wholesale & Retail Trade sector employers report a year-on-year increase of three percentage points and a gain of six percentage points quarter-on-quarter, signalling that the sector is preparing for a post-Christmas boost in hiring.

INSERT SECTOR COMPARISON GRAPH OF NEO – BAR GRAPH (CHANGES Y// CHANGES, NOT NEO)

Regionally, employment expectations in Auckland remain steady with no net change, while year-on-year increases of three and five percentage points have been reported in Wellington and Christchurch, respectfully.

REGIONAL COMPARISON GRAPH OF NEO – BAR GRAPH

ManpowerGroup Australia & New Zealand Managing Director Richard Fischer says the latest data reveals a strong employment Outlook that is able to sustain downturns across particular sectors.

“The employment Outlook across New Zealand has hit a four-year high despite a notable decline across the Finance, Insurance & Retail sector and the lack of growth across the Auckland region,” said Mr Fischer.

“This is a result of sustained improvement across other key sectors and regions. In particular, employers in the Wholesale & Retail Trade sector are anticipating a need to increase headcount in preparation for a post-Christmas bounce at the start of the New Year.”

Large and medium-sized businesses continue to report the most robust employment expectations with NEO's of +25% each, while micro-sized organisations report a notable year-on-year increase of five percentage points after a sustained flat Outlook.

INSERT BUSINESS SIZE LINE GRAPH FROM 2016 – LATEST QUARTER

Across the Asia-Pacific region the strongest Outlooks are reported in Japan (+27%), Taiwan (+21%), and Hong Kong (+18%).

INSERT COUNTRY COMPARISON GRAPH FOR 4Q18

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